



Michigan Health Purchasers Coalition

PO Box 16104 • Lansing, MI 48901

November 7th, 2011

The Michigan Health Purchasers Coalition is an organization of associations, businesses and corporations, consumer groups and unions involved in the provision of health care benefit coverage for millions of Michigan residents. Our coalition works on health legislation to promote more cost-effective health plan options. MHPC was formally established in 1993. We see two key interrelated problems threatening the overall health care system: escalating costs and the growing number of people who are uninsured or underinsured.

We oppose Senate Bills 540 and 541 that mandate coverage and payment for orally administered cancer chemotherapy treatment.

The MHPC advocates that purchasers should be able to freely determine the types of health care benefits they wish to provide for their employees and that unions should be able to collectively bargain the benefits that best meet the needs of their members. Mandates like SB 540 and SB 541 takes away their ability to freely determine which benefits are best and to take an active role in keeping their health care costs down. Mandated benefits raise the costs of healthcare and make it difficult for employers to provide coverage and make it even more difficult for those who are uninsured or underinsured to be able to afford health care coverage.

Although we believe State government has an important responsibility through licensure and regulation to assure safety and effectiveness of health insurance products, State regulation should not pick winners and losers by favoring special benefit mandates. Since self-insured employers and Medicaid and Medicare programs are exempt from state imposed mandates, only about half of those privately insured in Michigan would be impacted by SB 540 and SB 541. However, all purchasers would be impacted by the increase in health care costs.

Please oppose Senate Bills 540 and 541.

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OPPOSITION TO STATE-REQUIRED HEALTH INSURANCE PAYMENTS

Employers (independently or through collective bargaining), individuals, associations, and religious and fraternal groups should have the freedom to select the benefits, providers, and payment and utilization review arrangements which they determine as best meeting their needs for quality, accessible and cost-effective health care.

These are the groups that subscribed to the basic policy statement when the Coalition was formally established in October 1993, or that joined later. Coalition statements on specific bills or proposals are separately circulated for support among Coalition members and other interested groups.

Associations

Alliance for Health
Alliance for Retired Americans, MI
American Society of Employers
Detroit Regional Chamber
Economic Alliance for Michigan
Grand Rapids Area Chamber of Commerce
Greater Detroit Area Health Council
Michigan Chamber of Commerce
Michigan Manufacturers Association
Michigan Health Purchasers Alliance
Small Business Association of Michigan
Southwest Michigan Health Care Coalition

Companies

Aztec Manufacturing
Chrysler
Delphi Corporation
F.D. Stella Products Company
Federal Mogul
Ford Motor Company
General Motors Company
ITH Staffing Solutions
JSJ Corporation
Kellogg Company
Kushner & Company
Lear Corporation
Online Technologies Corp.
Visteon Corporation

Employee Groups & Unions

AFL-CIO Employer Purchasing Coalition
International Association of Machinists, District 60
International Association of Machinists, District 97
International Union, UAW
Michigan Corrections Organization
Michigan Education Association (MEA)
Michigan Office of the State Employer
Michigan Public School Employees Retirement System
Michigan State AFL-CIO
Michigan State Building Trades Council
Michigan State Pipetrades Council
Michigan State Utility Workers Council
Service Employees International Union, (SEIU)
Michigan State Council
State Employees Retirees' Association (SERA)
Teamsters Michigan Joint Council #43
United Food & Commercial Workers, Local 876
United Food & Commercial Workers, Local 951
United Steelworkers, District 2
Unite-HERE, Local 24
Utility Workers, Local 223

Insurance Payers

Aetna
Blue Cross Blue Shield of Michigan
Michigan Education Special Services Association (MESSA)

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Basic Policy Statement

Membership is open to all health care coverage purchaser groups (associations, businesses, consumer groups, or insurance companies), which subscribe to the founding statement when the Coalition was formed in October 1993.

We have joined together to express appreciation for the new legislative focus on health issues, but also to voice great concern about simultaneous efforts that will worsen matters.

Two key and interrelated problems threaten the overall health care system:

- escalating health costs, jeopardizing employers' economic viability, workers' job opportunities, and governmental fiscal solvency; and
- growing numbers of citizens with inadequate health coverage or none at all, causing financial and health crises for millions of individuals, expanded cost shifting to health purchasers, and increased financial stress for government and health providers.

Fortunately, elected officials, in both parties and at the State and Federal levels, are focusing on these problems in ways that would continue quality health care.

Our immediate concerns are prompted by various bills to restrict the ability of purchasers (whether employers, associations, unions or individuals) to select the types of health coverage that they determine best meet their needs. **State government has an important responsibility, through licensure and regulation, to assure minimum guarantees of safety and effectiveness of health providers and insurance products. State regulation should not be used, however, to favor certain health services or providers, nor dictate to whom and how purchasers must pay for services.**

We oppose bills to require payments for a few favored health services or professions, regardless of purchaser preference. **(Required insurance offerings can be considered when there is a clear and compelling public need.)** State law does not require insurance payment for hospitals or physicians (MDs and DOs), but does impose coverage for certain other provider groups and services in differing ways for commercial insurers, the Blues, and HMOs.

We oppose all such requirements – current, expanded or new. **Contrary to many advocates' expectations, these State requirements impact less than half of Michiganians. The rest are exempt due to coverage by self-insured larger private employers and public programs (e.g., Medicaid and Medicare). These requirements would add costs for those not exempt, including smaller businesses and state and local government employers, further increasing the problem of the insured or underinsured.**

1. We oppose bills to force purchasers to contract with providers not of their choice. **Such bills would require uniform contracts or payments for all providers of covered services just because they are State-licensed. Purchasers, acting directly or via intermediaries, should continue to be able to limit covered providers according to the number and/or criteria they determine best meet their needs for affordable and quality health services.**
2. We oppose blocking the ability of purchasers and payers to rely on utilization review for assuring appropriateness of health care charges and services. **National utilization review standards (cooperatively developed among purchaser, provider and insurance groups) are being implemented to assure review is done in a reasonable, timely and responsive manner.**

We urge those promoting restrictions on purchasers to instead use their energies to demonstrate the merits of their proposals to those who are to pay for them, instead of lobbying for State coercion of their desired customers.

Purchasers oppose these bills as inconsistent with reforms needed to eliminate inappropriate and unneeded health care, too often over-priced. Business and labor also oppose these requirements because they often increase costs and interfere with purchasers' rights to make their own judgments. Unions additionally oppose these requirements as unwarranted interference with the State-assured right to collectively bargain for those benefits that their members determine as having the highest priority.

We ask legislators' help in opposing such bills that would harm purchase attempts to effectively pursue more cost-effective and quality health care services.